Well # 24-6

Administrative Determination (AD)

Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)

U.S. Department of the Interior - Bureau of Land Management Anchorage Field Office

A. Describe the Proposed Action

Marathon Oil Company has proposed drilling a development gas well on Federal Lease A-028142 in the Kenai Gas Field. Drilling this well is necessary to further develop the known gas reserves in this Federal Unit. The well will be cased and the casing will be cemented from the total depth of the well to the surface to ensure the protection of subsurface resources. The well will be called the KBU 24-6 and is located in the SE½SW½ Section 6, T. 4 N., R. 11 W., S.M., about 6.5 miles south of Kenai, Alaska. No new surface disturbance is planned. The well will be located on an existing Marathon well pad, the 14-6. The well will be directionally drilled to a depth of 7,200 feet and completed in the Sterling, Beluga, and Tyonek formations. Surface estate is owned by the Salamatof Native Association, Inc. and managed by the Cook Inlet Regional, Inc. (CIRI). Mineral estate is owned by the United States and managed by the BLM.

Drilling is proposed to begin early January 2001 and should take 4-5 weeks to complete. Water used in the drilling process will come from an existing water well on location. All drilling fluids will be contained within a closed steel tank system. The tanks contain equipment to remove the drilled cuttings. The cuttings and excess drilling fluid will be trucked to a Kenai Field Class II disposal well (KU 24-7). Completion fluids will be trucked to Well WD #1, an approved disposal well.

If the well is successful, the gas will be produced and processed through existing facilities on the 14-6 pad. If the well is not successful, it will be plugged and abandoned in accordance with State and Federal regulations. Surface reclamation will occur when the 14-6 well pad is no longer needed and will be in accordance with the requirements of CIRI Native Corporation.

B. Land Use Plan (LUP) Conformance

The BLM has not developed a land use plan for surface or subsurface oil and gas development in the Kenai Peninsula area. The subject Proposed Action, however, is nearly identical to the Proposed Action described in EA No. AK-040-99-022 (Kenai Gas Field Development Wells 33-6 and 42-7, August 1999). The impacts are also assumed to be nearly identical. Therefore, EA-040-99-022 provides a basis for a decision on the proposal in accordance with federal regulations (Title 43 CFR Part 1610.8(b)(1)).

Administrative Determination (Cont'd.)

C. Identify applicable NEPA documents and other related documents that cover the Proposed Action.

EA No. AK-040-99-022; Kenai Gas Field Development Wells 33-6 and 42-7, August 1999.

D. NEPA Adequacy Criteria

1. Is the current Proposed Action substantially the same action (or is a part of that action) as previously analyzed? Is the current Proposed Action located at a site specifically analyzed in an existing document?

The Proposed Action is nearly identical to that described in the Kenai Gas Field Development EA (KGF EA). The Proposed Action is located on an existing pad, on the same road, in the same Gas Field less than one mile from the one described in the KGF EA. The KGF EA analyzed the impacts from drilling a well on the 41-7 pad. The current Proposed Action is for the same type of operation on the 14-6 pad, due west of the 41-7 pad.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current Proposed Action, given current environmental concerns, interests, and resource values?

The alternatives analyzed in the KGF EA were; allow the drilling and deny the drilling. The EA was signed less than 15 months ago and the environmental issues and concerns have not changed.

3. Is the existing analysis valid in light of any new information or circumstances?

There is no new information or circumstances that would effect the validity of the existing analysis.

4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be appropriate for the current Proposed Action?

Yes.

Administrative Determination (Cont'd.)
Document No.: AK-040-AD01-005

Well # 24-6

Case File No.: A-028142

5. Are the direct and indirect impacts of the current Proposed Action substantially unchanged from those identified in the existing NEPA document(s)? Does the existing NEPA document analyze site-specific impacts related to the current Proposed Action?

The direct and indirect impacts identified in the KGF EA are the same as would be anticipated for the Proposed Action. While the KGF EA analyzed impacts of a drilling operation located on the 41-7 well pad and did not analyze the *specific* impacts for drilling activity on the 14-6 well pad, the setting, effected resources, and location are so similar, that the KGF EA provides a reasonable basis for making a decision on the Proposed Action.

6. Are the cumulative impacts that would result from implementation of the current Proposed Action substantially unchanged from those analyzed in the existing NEPA document(s)?

Yes, they are identical.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current Proposed Action?

The proposal for which the KGF EA was written was posted for 30 days and received no comments. The current proposal will also be posted for 30 days.

E. Interdisciplinary Analysis:

See attached NEPA routing sheet and specialists' worksheets.

F. Conclusion

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan or is in accordance with federal regulations (Title 43 Code of Federal Regulations, Part 1610.8 (b)(1) and that the NEPA documentation fully covers the Proposed Action and constitutes BLM's compliance with the requirements of NEPA

| /s/ Peter J. Ditton | February 1, 2001 |
|-------------------------|------------------|
| Anchorage Field Manager | Date |